

**Executive Summary – Enforcement Matter – Case No. 49412**  
**Sid Richardson Carbon, Ltd.**  
**RN100222413**  
**Docket No. 2014-1460-AIR-E**

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**Order Type:**

1660 Agreed Order

**Findings Order Justification:**

N/A

**Media:**

AIR

**Small Business:**

No

**Location(s) Where Violation(s) Occurred:**

Sid Richardson Carbon Borger Plant, 9455 Farm-to-Market 1559, Borger, Hutchinson County

**Type of Operation:**

Carbon black production plant

**Other Significant Matters:**

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

**Texas Register Publication Date:** January 30, 2015

**Comments Received:** No

***Penalty Information***

**Total Penalty Assessed:** \$8,175

**Amount Deferred for Expedited Settlement:** \$1,635

**Amount Deferred for Financial Inability to Pay:** \$0

**Total Paid to General Revenue:** \$6,540

**Total Due to General Revenue:** \$0

**SEP Conditional Offset:** \$0

**Compliance History Classifications:**

Person/CN - Satisfactory

Site/RN - Satisfactory

**Major Source:** Yes

**Statutory Limit Adjustment:** N/A

**Applicable Penalty Policy:** April 2014

***Investigation Information***

**Complaint Date(s):** N/A

**Complaint Information:** N/A

**Date(s) of Investigation:** September 4, 2014

**Date(s) of NOE(s):** September 11, 2014

**Executive Summary – Enforcement Matter – Case No. 49412**  
**Sid Richardson Carbon, Ltd.**  
**RN100222413**  
**Docket No. 2014-1460-AIR-E**

***Violation Information***

1. Failed to submit a final record no later than 14 days after the end of the emissions event. Specifically, Incident No. 197938 ended on May 21, 2014 and the final record was due on June 4, 2014, but was not submitted until June 10, 2014 [30 TEX. ADMIN. CODE §§ 101.201(c) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), and Federal Operating Permit (“FOP”) No. O1414, Special Terms and Conditions (“STC”) No. 2.F].
2. Failed to prevent unauthorized emissions. Specifically, the Respondent released 38,519.6 pounds (“lbs”) of sulfur dioxide, 13,013.7 lbs of carbon monoxide, 1,282.4 lbs of particulate matter, 957.7 lbs of nitrogen oxides, 196.5 lbs of carbon disulfide, 196.5 lbs of hydrogen sulfide, 65.5 lbs of carbonyl sulfide, and 524.3 lbs of volatile organic compounds from Emissions Point Number (“EPN”) Flare-2, during an emissions event (Incident No. 197938) that occurred on May 6, 2014 and lasted 360 hours and 35 minutes. The emissions event occurred when Reactor 44 was operating at significantly lower production rates due to refractory failure, causing the offgas fans to be shut down and offgas naturally drafting to EPN Flare-2 until refractory repair could take place. Since the final record was submitted late, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE §§ 101.20(3), 116.115(b)(2)(F), and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), FOP No. O1414, STC No. 23, and New Source Review Permit Nos. 1867A and PSDTX1032, Special Conditions No. 22.F].

***Corrective Actions/Technical Requirements***

**Corrective Action(s) Completed:**

The Respondent implemented the following correctives measures:

- a. On May 22, 2014, implemented repairs on the refractory of Reactor 44 to prevent the recurrence of emissions events due to same or similar causes as Incident No. 197938; and
- b. On September 24, 2014, revised the Immediately Reportable Events procedure to allow enough time for submission of emissions event reports.

**Technical Requirements:**

N/A

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***Litigation Information***

**Date Petition(s) Filed:** N/A  
**Date Answer(s) Filed:** N/A  
**SOAH Referral Date:** N/A  
**Hearing Date(s):** N/A  
**Settlement Date:** N/A

***Contact Information***

**TCEQ Attorney:** N/A  
**TCEQ Enforcement Coordinator:** Eduardo Heras, Enforcement Division,  
Enforcement Team 5, MC 149, (512) 239-2422; Candy Garrett, Enforcement Division,  
MC 219, (512) 239-1456  
**TCEQ SEP Coordinator:** N/A  
**Respondent:** Jason Johnson, Corporate Environmental, Health & Safety Specialist,  
Sid Richardson Carbon, Ltd., 201 Main Street, Suite 3000, Fort Worth, Texas 76102  
Riaz Bismilla, Vice President of Production, Sid Richardson Carbon, Ltd., 201 Main  
Street, Suite 3000, Fort Worth, Texas 76102  
**Respondent's Attorney:** Robert T. Stewart, Attorney, Kelly Hart and Hallman, 301  
North Congress Avenue, Suite 2000, Austin, Texas 78701





# Penalty Calculation Worksheet (PCW)

Policy Revision 4 (April 2014)

PCW Revision March 26, 2014

TCEQ

DATES

Assigned

15-Sep-2014

PCW

29-Sep-2014

Screening

29-Sep-2014

EPA Due

8-Jun-2015

## RESPONDENT/FACILITY INFORMATION

Respondent Sid Richardson Carbon, Ltd.

Reg. Ent. Ref. No. RN100222413

Facility/Site Region 1-Amarillo

Major/Minor Source Major

## CASE INFORMATION

Enf./Case ID No. 49412

Docket No. 2014-1460-AIR-E

Media Program(s) Air

Multi-Media

No. of Violations 2

Order Type 1660

Government/Non-Profit No

Enf. Coordinator Eduardo Heras

EC's Team Enforcement Team 5

Admin. Penalty \$ Limit Minimum

\$0

Maximum

\$25,000

## Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties)

Subtotal 1

\$7,750

## ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

Compliance History

30.0%

Enhancement

Subtotals 2, 3, & 7

\$2,325

Notes

Enhancement for two NOV's with same or similar violations and one order with denial of liability.

Culpability

No

0.0%

Enhancement

Subtotal 4

\$0

Notes

The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply Total Adjustments

Subtotal 5

-\$1,900

Economic Benefit

0.0% Enhancement\*

Subtotal 6

\$0

Total EB Amounts

\$34

Estimated Cost of Compliance

\$6,500

\*Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7

Final Subtotal

\$8,175

OTHER FACTORS AS JUSTICE MAY REQUIRE

0.0%

Adjustment

\$0

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes

Final Penalty Amount

\$8,175

STATUTORY LIMIT ADJUSTMENT

Final Assessed Penalty

\$8,175

DEFERRAL

20.0%

Reduction

Adjustment

-\$1,635

Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes

Deferral offered for expedited settlement.

PAYABLE PENALTY

\$6,540

Screening Date 29-Sep-2014

Docket No. 2014-1460-AIR-E

PCW

Respondent Sid Richardson Carbon, Ltd.

Policy Revision 4 (April 2014)

Case ID No. 49412

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN100222413

Media [Statute] Air

Enf. Coordinator Eduardo Heras

## Compliance History Worksheet

## &gt;&gt; Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action ( <i>number of NOVs meeting criteria</i> )	2	10%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability ( <i>number of orders meeting criteria</i> )	1	20%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government ( <i>number of judgments or consent decrees meeting criteria</i> )	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government ( <i>number of counts</i> )	0	0%
Emissions	Chronic excessive emissions events ( <i>number of events</i> )	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 ( <i>number of audits for which notices were submitted</i> )	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 ( <i>number of audits for which violations were disclosed</i> )	0	0%
Please Enter Yes or No			
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 30%

## &gt;&gt; Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

## &gt;&gt; Compliance History Person Classification (Subtotal 7)

Satisfactory Performer

Adjustment Percentage (Subtotal 7) 0%

## &gt;&gt; Compliance History Summary

Compliance  
History  
Notes

Enhancement for two NOVs with same or similar violations and one order with denial of liability.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, &amp; 7) 30%

## &gt;&gt; Final Compliance History Adjustment

Final Adjustment Percentage \*capped at 100% 30%

Screening Date 29-Sep-2014

Docket No. 2014-1460-AIR-E

PCW

Respondent Sid Richardson Carbon, Ltd.

Policy Revision 4 (April 2014)

Case ID No. 49412

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN100222413

Media [Statute] Air

Enf. Coordinator Eduardo Heras

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code §§ 101.201(c) and 122.143(4), Tex. Health & Safety Code § 382.085(b), and Federal Operating Permit ("FOP") No. O1414, Special Terms and Conditions ("STC") No. 2.F

Violation Description Failed to submit a final record no later than 14 days after the end of the emissions event. Specifically, Incident No. 197938 ended on May 21, 2014 and the final record was due on June 4, 2014, but was not submitted until June 10, 2014.

Base Penalty \$25,000

## &gt;&gt; Environmental, Property and Human Health Matrix

OR

	Harm		
Release	Major	Moderate	Minor
Actual			
Potential			

Percent 0.0%

## &gt;&gt; Programmatic Matrix

	Falsification	Major	Moderate	Minor
				x

Percent 1.0%

Matrix Notes

The Respondent met at least 70% of the rule requirement.

Adjustment \$24,750

\$250

## Violation Events

Number of Violation Events 1

6 Number of violation days

mark only one  
with an x

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty \$250

One single event is recommended.

## Good Faith Efforts to Comply

10.0%

Reduction \$25

Before NOE/NOV NOE/NOV to EDPRP/Settlement Offer

Extraordinary		
Ordinary		x
N/A		(mark with x)

Notes

The Respondent achieved compliance on September 24, 2014, after the September 11, 2014 NOE.

Violation Subtotal \$225

## Economic Benefit (EB) for this violation

## Statutory Limit Test

Estimated EB Amount \$23

Violation Final Penalty Total \$300

This violation Final Assessed Penalty (adjusted for limits) \$300

# Economic Benefit Worksheet

**Respondent** Sid Richardson Carbon, Ltd.  
**Case ID No.** 49412  
**Reg. Ent. Reference No.** RN100222413  
**Media** Air  
**Violation No.** 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

## Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$1,500	4-Jun-2014	24-Sep-2014	0.31	\$23	n/a	\$23

Notes for DELAYED costs

Estimated cost to revise the Immediately Reportable Events procedure to allow enough time for submission of emission event reports. The Date Required is the date the final record was due and the Final Date is the date of compliance.

## Avoided Costs

### ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$1,500

TOTAL

\$23



Screening Date 29-Sep-2014

Docket No. 2014-1460-AIR-E

PCW

Respondent Sid Richardson Carbon, Ltd.

Policy Revision 4 (April 2014)

Case ID No. 49412

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN100222413

Media [Statute] Air

Enf. Coordinator Eduardo Heras

Violation Number 2

Rule Cite(s)

30 Tex. Admin. Code §§ 101.20(3), 116.115(b)(2)(F), and 122.143(4), Tex. Health & Safety Code § 382.085(b), FOP No. 01414, STC No. 23, and New Source Review Permit Nos. 1867A and PSDTX1032, Special Conditions No. 22.F

Violation Description

Failed to prevent unauthorized emissions. Specifically, the Respondent released 38,519.6 pounds ("lbs") of sulfur dioxide, 13,013.7 lbs of carbon monoxide, 1,282.4 lbs of particulate matter, 957.7 lbs of nitrogen oxides, 196.5 lbs of carbon disulfide, 196.5 lbs of hydrogen sulfide, 65.5 lbs of carbonyl sulfide, and 524.3 lbs of volatile organic compounds from Emissions Point Number ("EPN") Flare-2, during an emissions event (Incident No. 197938) that began on May 6, 2014 and lasted 360 hours and 35 minutes. The emissions event occurred when Reactor 44 was operating at significantly lower production rates due to refractory failure, causing the offgas fans to be shut down and offgas naturally drafting to EPN Flare-2 until refractory repair could take place. Since the final record was submitted late, the Respondent is precluded from asserting an affirmative defense under 30 Tex. Admin. Code § 101.222.

Base Penalty \$25,000

## &gt;&gt; Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual		x	
Potential			

Percent 30.0%

## &gt;&gt; Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0.0%

Matrix Notes

Human health or the environment has been exposed to significant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$17,500

\$7,500

## Violation Events

Number of Violation Events 1

16 Number of violation days

mark only one with an x	daily	
	weekly	
	monthly	x
	quarterly	
	semiannual	
	annual	
	single event	

Violation Base Penalty \$7,500

One monthly event is recommended.

## Good Faith Efforts to Comply

25.0%

Reduction \$1,875

Before NOE/NOV NOE/NOV to EDRP/Settlement Offer

Extraordinary	
Ordinary	x
N/A	(mark with x)

Notes

The Respondent achieved compliance by May 22, 2014, before the September 11, 2014 NOE.

Violation Subtotal \$5,625

## Economic Benefit (EB) for this violation

## Statutory Limit Test

Estimated EB Amount \$11

Violation Final Penalty Total \$7,875

This violation Final Assessed Penalty (adjusted for limits) \$7,875

# Economic Benefit Worksheet

**Respondent** Sid Richardson Carbon, Ltd.

**Case ID No.** 49412

**Reg. Ent. Reference No.** RN100222413

**Media** Air

**Violation No.** 2

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

## Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$5,000	6-May-2014	22-May-2014	0.04	\$11	n/a	\$11

**Notes for DELAYED costs**

Estimated cost to implement repairs on the refractory of Reactor 44 to prevent the recurrence of emissions events due to same or similar causes as Incident No. 197938. The Date Required is the date the emissions event began and the Final Date is the date of compliance.

## Avoided Costs

### ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

**Notes for AVOIDED costs**

**Approx. Cost of Compliance**

\$5,000

**TOTAL**

\$11



## TCEQ Compliance History Report

**PENDING** Compliance History Report for CN600131171, RN100222413, Rating Year 2014 which includes Compliance History (CH) components from September 1, 2009, through August 31, 2014.

<b>Customer, Respondent, or Owner/Operator:</b>	CN600131171, Sid Richardson Carbon, Ltd.	<b>Classification:</b>	SATISFACTORY	<b>Rating:</b>	6.93
<b>Regulated Entity:</b>	RN100222413, SID RICHARDSON CARBON BORGER PLANT	<b>Classification:</b>	SATISFACTORY	<b>Rating:</b>	9.27
<b>Complexity Points:</b>	19	<b>Repeat Violator:</b>	NO		
<b>CH Group:</b>	05 - Chemical Manufacturing				
<b>Location:</b>	9455 FM 1559 BORGER, TX 79007, HUTCHINSON COUNTY				
<b>TCEQ Region:</b>	REGION 01 - AMARILLO				

### ID Number(s):

**AIR OPERATING PERMITS** ACCOUNT NUMBER HW0017R  
**INDUSTRIAL AND HAZARDOUS WASTE** SOLID WASTE  
REGISTRATION # (SWR) 37420  
**WASTEWATER PERMIT** WQ0000812000  
**AIR NEW SOURCE PERMITS** PERMIT 1867A  
**AIR NEW SOURCE PERMITS** REGISTRATION 45755  
**AIR NEW SOURCE PERMITS** EPA PERMIT PSDTX1032  
**AIR EMISSIONS INVENTORY** ACCOUNT NUMBER  
HW0017R

**AIR OPERATING PERMITS** PERMIT 1414  
**POLLUTION PREVENTION PLANNING** ID NUMBER  
P06699  
**AIR NEW SOURCE PERMITS** ACCOUNT NUMBER HW0017R  
**AIR NEW SOURCE PERMITS** AFS NUM 4823300002  
**AIR NEW SOURCE PERMITS** REGISTRATION 23162  
**STORMWATER** PERMIT TXR05AH39

**Compliance History Period:** September 01, 2009 to August 31, 2014    **Rating Year:** 2014    **Rating Date:** 09/01/2014

**Date Compliance History Report Prepared:** September 18, 2014

**Agency Decision Requiring Compliance History:** Enforcement

**Component Period Selected:** September 18, 2009 to September 18, 2014

**TCEQ Staff Member to Contact for Additional Information Regarding This Compliance History.**

**Name:** TCEQ Staff Member

**Phone:** (512) 239-1000

### Site and Owner/Operator History:

- |  |     |
|--|-----|
| 1) Has the site been in existence and/or operation for the full five year compliance period?       | YES |
| 2) Has there been a (known) change in ownership/operator of the site during the compliance period? | NO  |
| 3) If <b>YES</b> for #2, who is the current owner/operator?  | N/A |
| 4) If <b>YES</b> for #2, who was/were the prior owner(s)/operator(s)?                              | N/A |
| 5) If <b>YES</b> , when did the change(s) in owner or operator occur?                              | N/A |

### Components (Multimedia) for the Site Are Listed in Sections A - J

#### **A. Final Orders, court judgments, and consent decrees:**

- |   |   |  |
|---|---|--|
| 1 | Effective Date: 08/26/2013                                  | ADMINORDER 2012-2164-AIR-E (1660 Order-Agreed Order With Denial) |
|   | Classification: Moderate                                    |  |
|   | Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(1)(B) |  |
|   | 5C THSC Chapter 382 382.085(b)                              |  |

Description: Failed to submit an initial notification for Incident No. 168666 no later than 24 hours after the discovery of the emissions event, in violation of 30 TEX. ADMIN. CODE § 101.201(a)(1)(B) and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on September 11, 2012. Specifically, the emissions event occurred on May 19, 2012, but the initial notification was not submitted until May 21, 2012.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)

30 TAC Chapter 116, SubChapter B 116.115(c)

5C THSC Chapter 382 382.085(b)

Rqmt Prov:Permit No. 1867A/PSDTX1032 PERMIT

Description: Failure to prevent the release of unauthorized emissions to the atmosphere during an emissions event (which did not meet all affirmative defense criteria)

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter F 101.201(b)(1)(G)

5C THSC Chapter 382 382.085(b)

Description: Failed to identify the individually listed compounds or mixtures of air contaminants released during the emissions event that occurred on August 7, 2012 (Incident No. 171999). Specifically, the final emissions event report failed to include particulate matter with diameters less than 10 micrometers ("PM10"), carbon black, during the event.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)

30 TAC Chapter 116, SubChapter B 116.115(c)

5C THSC Chapter 382 382.085(b)

Rqmt Prov:Permit No. 1867A/PSDTX1032 PERMIT

Description: Failed to prevent unauthorized emissions,(Incident No. 171999). Also, the emissions event resulted in 100% opacity from EPN-2 for twenty minutes and the permit limits the opacity to 15% averaged over a 6-minute period. This emissions event occurred because the Unit 2 Secondary Bag Filter housing was mechanically damaged due to overload and overpressure causing a crack. Since this emission event was report

Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)

30 TAC Chapter 122, SubChapter B 122.145(2)(A)

5C THSC Chapter 382 382.085(b)

Rqmt Prov:0-1414 PERMIT

Description: Failed to report completely and adequately all instances of deviations. Specifically, the Respondent failed to include five upset events and the late submittal of a previous semi-annual deviation report on the semi-annual deviation report covering the period of September 20, 2010 through March 19, 2011.

**B. Criminal convictions:**

N/A

**C. Chronic excessive emissions events:**

N/A

**D. The approval dates of investigations (CCEDS Inv. Track. No.):**

Item 1	November 04, 2009	(780280)
Item 2	November 13, 2009	(776984)
Item 3	July 29, 2010	(843053)
Item 4	October 14, 2010	(866561)
Item 5	October 22, 2010	(871475)
Item 6	February 15, 2011	(894964)
Item 7	May 26, 2011	(921647)
Item 8	May 27, 2011	(922124)
Item 9	July 29, 2011	(943883)
Item 10	August 18, 2011	(948926)
Item 11	September 27, 2011	(956277)
Item 12	October 05, 2011	(958592)
Item 13	October 12, 2011	(958788)
Item 14	November 21, 2011	(968514)
Item 15	December 28, 2011	(976155)
Item 16	December 29, 2011	(975993)
Item 17	April 10, 2012	(996189)
Item 18	April 20, 2012	(997595)
Item 19	June 01, 2012	(1009021)
Item 20	June 07, 2012	(1009759)
Item 21	June 12, 2012	(1011493)
Item 22	June 29, 2012	(1013373)
Item 23	July 03, 2012	(1015008)
Item 24	August 06, 2012	(1022473)
Item 25	September 25, 2012	(1030940)
Item 26	October 08, 2012	(1035975)

Item 27	January 15, 2013	(1053654)
Item 28	February 05, 2013	(1055609)
Item 29	February 08, 2013	(1055247)
Item 30	February 27, 2013	(1058902)
Item 31	March 26, 2013	(1073475)
Item 32	April 01, 2013	(1076958)
Item 33	April 08, 2013	(1077840)
Item 34	April 09, 2013	(1077941)
Item 35	May 31, 2013	(1093852)
Item 36	August 26, 2013	(1077772)
Item 37	November 01, 2013	(1123625)
Item 38	December 30, 2013	(1138926)
Item 39	January 15, 2014	(1143867)
Item 40	January 23, 2014	(1143895)
Item 41	April 03, 2014	(1156903)
Item 42	May 14, 2014	(1165334)
Item 43	May 28, 2014	(1170722)
Item 44	June 12, 2014	(1171568)

#### **E. Written notices of violations (NOV) (CCEDS Inv. Track. No.):**

A notice of violation represents a written allegation of a violation of a specific regulatory requirement from the commission to a regulated entity. A notice of violation is not a final enforcement action, nor proof that a violation has actually occurred.

- 1      Date: 02/03/2014 (1140557)      CN600131171  
         Self Report? NO      Classification: Moderate  
         Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)  
                  30 TAC Chapter 122, SubChapter B 122.145(2)(A)  
                  5C THSC Chapter 382 382.085(b)  
                  General Terms and Conditions OP  
         Description: Failure to include all instances of deviation on a deviation report.
  
- 2      Date: 05/21/2014 (1165405)      CN600131171  
         Self Report? NO      Classification: Moderate  
         Citation: 30 TAC Chapter 101, SubChapter F 101.201(e)(7)  
                  5C THSC Chapter 382 382.085(b)  
         Description: Failure to report the estimated opacity during an excess opacity event.  
         Self Report? NO      Classification: Moderate  
         Citation: 30 TAC Chapter 101, SubChapter F 101.201(e)(8)  
                  5C THSC Chapter 382 382.085(b)  
         Description: Failure to report the authorized opacity limit for the facilities having the excess opacity event.  
         Self Report? NO      Classification: Moderate  
         Citation: 30 TAC Chapter 111, SubChapter A 111.111(a)(8)(A)  
                  5C THSC Chapter 382 382.085(b)  
         Description: Failure to prevent visible emissions of greater than 30% opacity for any six-minute period from all other sources not specified in 30 TAC §111.111. This occurred during an excess opacity event which did not meet all affirmative defense criteria.

#### **F. Environmental audits:**

N/A

#### **G. Type of environmental management systems (EMSs):**

N/A

#### **H. Voluntary on-site compliance assessment dates:**

N/A

#### **I. Participation in a voluntary pollution reduction program:**

N/A

#### **J. Early compliance:**

N/A

#### **Sites Outside of Texas:**

N/A



# TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**IN THE MATTER OF AN  
ENFORCEMENT ACTION  
CONCERNING  
SID RICHARDSON CARBON,  
LTD.  
RN100222413**

§  
§  
§  
§  
§  
§

**BEFORE THE  
  
TEXAS COMMISSION ON  
  
ENVIRONMENTAL QUALITY**

## **AGREED ORDER DOCKET NO. 2014-1460-AIR-E**

### **I. JURISDICTION AND STIPULATIONS**

On \_\_\_\_\_, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Sid Richardson Carbon, Ltd. ("Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent represented by Robert T. Stewart of the law firm of Kelly Hart Attorneys, together stipulate that:

1. The Respondent owns and operates a carbon black production plant located at 9455 Farm-to-Market Road 1559 in Borger, Hutchinson County, Texas (the "Plant").
2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
3. The Executive Director and the Respondent agree that the Commission has jurisdiction to enter this Agreed Order, and that the Respondent is subject to the Commission's jurisdiction.
4. The Respondent received notice of the violations alleged in Section II ("Allegations") on or about September 16, 2014.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
6. An administrative penalty in the amount of Eight Thousand One Hundred Seventy-Five Dollars (\$8,175) is assessed by the Commission in settlement of the violations alleged in

Section II ("Allegations"). The Respondent has paid Six Thousand Five Hundred Forty Dollars (\$6,540) of the administrative penalty and One Thousand Six Hundred Thirty-Five Dollars (\$1,635) is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full compliance with the terms of this Agreed Order. If the Respondent fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require the Respondent to pay all or part of the deferred penalty.

7. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
8. The Executive Director and the Respondent agree on a settlement of the matters alleged in this enforcement action, subject to final approval in accordance with 30 TEX. ADMIN. CODE § 70.10(a).
9. The Executive Director recognizes that the Respondent implemented the following correctives measures at the plant:
  - a. On May 22, 2014, implemented repairs on the refractory of Reactor 44 to prevent the recurrence of emissions events due to same or similar causes as Incident No. 197938; and
  - b. On September 24, 2014, revised the Immediately Reportable Events procedure to allow enough time for submission of emissions event reports.
10. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.
11. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
12. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

## **II. ALLEGATIONS**

As owner and operator of the Plant, the Respondent is alleged to have:

1. Failed to submit a final record no later than 14 days after the end of the emissions event, in violation of 30 TEX. ADMIN. CODE §§ 101.201(c) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), and Federal Operating Permit ("FOP") No. 01414, Special Terms and Conditions ("STC") No. 2.F, as documented during a record review conducted on September 4, 2014. Specifically, Incident No. 197938 ended on May 21, 2014 and the final record was due on June 4, 2014, but was not submitted until June 10, 2014.



2. Failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE §§ 101.20(3), 116.115(b)(2)(F), and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), FOP No. 01414, STC No. 23, and New Source Review Permit Nos. 1867A and PSDTX1032, Special Conditions No. 22.F, as documented during a record review conducted on September 4, 2014. Specifically, the Respondent released 38,519.6 pounds ("lbs") of sulfur dioxide, 13,013.7 lbs of carbon monoxide, 1,282.4 lbs of particulate matter, 957.7 lbs of nitrogen oxides, 196.5 lbs of carbon disulfide, 196.5 lbs of hydrogen sulfide, 65.5 lbs of carbonyl sulfide, and 524.3 lbs of volatile organic compounds from Emissions Point Number ("EPN") Flare-2, during an emissions event (Incident No. 197938) that occurred on May 6, 2014 and lasted 360 hours and 35 minutes. The emissions event occurred when Reactor 44 was operating at significantly lower production rates due to refractory failure, causing the offgas fans to be shut down and offgas naturally drafting to EPN Flare-2 until refractory repair could take place. Since the final record was submitted late, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222.

### III. DENIALS

The Respondent generally denies each allegation in Section II ("Allegations").

### IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that the Respondent pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Sid Richardson Carbon, Ltd., Docket No. 2014-1460-AIR-E" to:  
  
Financial Administration Division, Revenue Operations Section  
Attention: Cashier's Office, MC 214  
Texas Commission on Environmental Quality  
P.O. Box 13088  
Austin, Texas 78711-3088
2. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Plant operations referenced in this Agreed Order.
3. This Agreed Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.

4. This Agreed Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this Agreed Order may be copied, scanned, digitized, converted to electronic portable document format ("pdf"), or otherwise reproduced and may be transmitted by digital or electronic transmission, including but not limited to facsimile transmission and electronic mail. Any signature affixed to this Agreed Order shall constitute an original signature for all purposes and may be used, filed, substituted, or issued for any purpose for which an original signature could be used. The term "signature" shall include manual signatures and true and accurate reproductions of manual signatures created, executed, endorsed, adopted, or authorized by the person or persons to whom the signatures are attributable. Signatures may be copied or reproduced digitally, electronically, by photocopying, engraving, imprinting, lithographing, electronic mail, facsimile transmission, stamping, or any other means or process which the Executive Director deems acceptable. In this paragraph exclusively, the terms "electronic transmission", "owner", "person", "writing", and "written" shall have the meanings assigned to them under TEX. BUS. ORG. CODE § 1.002.
5. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to the Respondent, or three days after the date on which the Commission mails notice of the Order to the Respondent, whichever is earlier.

## SIGNATURE PAGE

### TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

\_\_\_\_\_  
For the Commission

Pam Maurer  
For the Executive Director

4/7/15  
Date

I, the undersigned, have read and understand the attached Agreed Order. I am authorized to agree to the attached Agreed Order on behalf of the entity indicated below my signature, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I also understand that failure to comply with the Ordering Provisions, if any, in this order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.

R. Bismilla  
Signature

12/15/2014  
Date

Riaz Bismilla  
Name (Printed or typed)  
Authorized Representative of  
Sid Richardson Carbon, Ltd.

VP Production  
Title

**Instructions:** Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenue Operations Section at the address in Section IV, Paragraph 1 of this Agreed Order.